ALASKA ECONOMIC TRENDS

.. February 1991

A TEACHER SHORTAGE?

OCCUPATIONAL OUTLOOK TO 1994

NOVEMBER UNEMPLOYMENT CREEPS UP

ALASKA DEPARTMENT OF LABOR WALTER J. HICKEL, GOVERNOR

ALASKA ECONOMIC
TRENDS

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Alaska Economic Trends is a monthly publication dealing with economic-related issues of Alaska. Opinions and analyses expressed by guest authors may not be consistent with those of the Alaska Department of Labor.

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Cover design by Jim Fowler

Is There A Teacher Shortage In Alaska?

By Neal Fried and Holly Stinson

The simplistic response to the question "Is there a teacher

shortage in Alaska?" is no. But in reality, this topic is too complicated to answer in such a casual fashion.

What Constitutes a Shortage?

According to the classical definition of an occupational shortage, a teacher shortage exists when there is an insufficient quantity of people to fill teaching positions at existing salaries. Using this definition a "teacher shortage" does not exist in Alaska. However, it is necessary to go beyond this naive conclusion because the teaching profession is so diverse, and the conditions of employment vary. In Alaska, geographic location and cultural differences are two examples of these varying conditions.

Urban and Rural School Districts Were Surveyed

To capture some of this diversity a survey was conducted of 37 school districts representing 87% of the state's public primary and secondary teachers. The districts were divided into three groups: those in urban communities (greater than 2,500 population) on the road system, those in smaller communities on the road system, and those in communities (of any size) not connected to the road system. Communities served by the Alaska Marine Highway were considered to be on the road system. Survey results from the small road-connected communities were similar to the urban communities, so most of the discussion emphasis will concentrate on the different experiences of the urban versus rural school districts.

Complementing the survey was Alaska Teacher Placement Bureau data from the University of Alaska-Fairbanks. We also gathered Alaska Department of Education statistics, along with local and national literature on the subject.

Urban Alaska Is Swamped By Teaching Applicants

When a teaching position becomes available in most urban school districts, they are inundated by applicants. Few of the urban districts have difficulty filling positions. They generally enjoy low turnover and most have a large local pool of certified teachers to choose from.

Anchorage, a school district with 2,400 teachers, typically has 70 openings for teachers per year. During the past year the number of openings climbed to 200; 125 of these openings occurred because of the early retirement program. There was also a fallow three-year period in the 1980s when there were only 10 openings for secondary teachers in the entire school district. When open-

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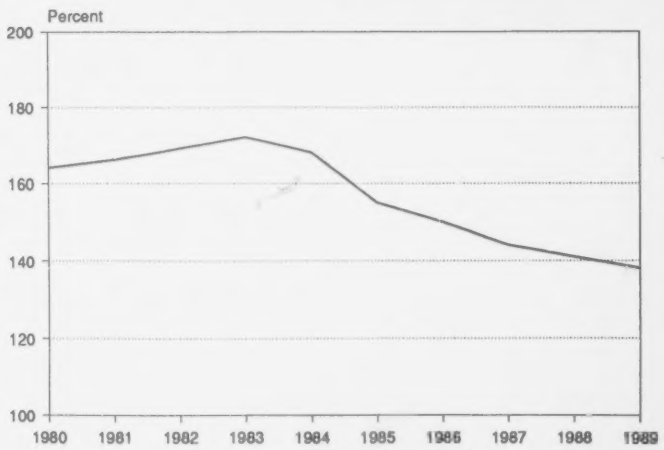
Figure • 1

Average Teacher Salaries In Alaska As Percentage of National Average



Source: National Education Association.

Table • 1

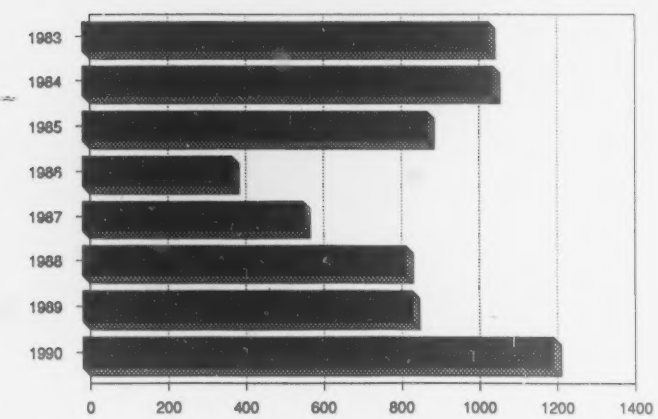
Average Teacher Salaries in Alaska by Region, 1989

Southeast	$39,314
Southcentral	$40,250
Southwest	$42,074
Interior	$42,332
Northwest	$45,797
Alaska	$41,325

Source: Association of Alaska School Boards.

Figure • 2

Openings for Teachers in Alaska's Public Schools



Source: Alaska Teacher Placement Bureau.

ings occur in Anchorage there is a local pool of 1,500 certified teachers to choose from. To become a school teacher in the Anchorage School District appears almost analogous to an actor attempting to become a movie star.

The stories of other urban school districts may not be quite as dramatic but their accounts are not much different. For example, the Fairbanks North Star Borough School District has 1,200 applications on file. The Kenai Peninsula Borough School District had 5,000 applications for 173 openings for the 1990-91 school year. Even a smaller district such as Skagway collected more than 1,800 unsolicited applications during the last year.

Some Teachers in Short Supply

Some urban school districts did have trouble recruiting for certain specialties. Most urban and smaller districts had difficulty finding qualified counselors, special education teachers and speech pathologists. And a number of urban school districts felt there was a shortage of minority candidates. Most of these specialty-specific shortages occur across all districts in Alaska and, in many cases, across the nation as well.

It was, however, equally surprising that computer, math and science teachers did not very often make the shortage list in the urban and smaller school districts. In one national study, Alaska was only one of five states that reported surpluses in these specialties.

The reason why there is no shortfall in these particular disciplines is the same reason why an overall teacher surplus exists in Alaska. For several years a positive climate for Alaska's educational establishment has prevailed vis-a-vis the rest of the nation. Teachers' salaries have consistently been higher in Alaska than the national average. (See Figure 1 and Table 1.) Benefits, such as retirement after 20 years of teaching, also tend to be more generous. Other pluses include relatively well-funded schools and growing enrollments. These factors have all helped create a healthy, attractive climate for teachers in Alaska's urban school districts.

The Story Is Different In Rural Alaska

On the surface the findings in rural districts were not altogether different from the urban school districts. When questioned whether there was a teacher shortage, only three rural schools surveyed felt one existed. Nearly all the school districts were able to fill their teacher openings and start the year out fully staffed.

However, recruiting and retaining teachers is a different story in rural Alaska. Rural districts have a higher turnover for teachers than urban districts. According to the survey, the rural school districts replaced approximately 20% of their teachers each year. This compares to 8% in urban and 9% in smaller districts. Many teachers leave after only a few years of teaching. The longevity for rural teachers is 6.9 years compared to 11.3 years in urban districts. Numerous teachers use their experience in rural Alaska as a stepping-stone to jobs in urban districts. For example, some rural school districts did not directly lose any teachers because of the early retirement program but they did lose teachers who left to fill openings that occurred in urban Alaska as a result of the program. Some observers commented that a cadre of teachers also move from one rural school district to another in almost gypsy-like fashion. Because of the higher turnover rate in rural school districts, a proportionately larger number of teachers have to be found each year.

Many Reasons Exist For Rural Alaska's High Teacher Turnover

The small size and isolation of many of the communities in rural school districts contribute to high teacher turnover. The lack of a career ladder frustrates some teachers. A shortage of housing can also be a problem. The stress that results from the meeting of two cultures must also be factored in. For these reasons many teachers find rural Alaska a difficult environment to teach in. At the same time, because of this tougher environment, one could argue that a more experienced teacher work force is needed in rural Alaska.

So, although a "teacher shortage" may not exist in the classical sense, a "revolving door" problem does in many districts. And one could make the argument that there is a shortage of committed educators with the needed experience in many rural school districts.

Shortages Are More Intense In Rural Districts

The rural school districts experienced the same spot shortages as their urban counter parts but with greater intensity. In urban districts it was "difficult " to find a speech pathologist but for a rural district it was "very difficult". Because of the small size of many rural schools, they frequently look for teachers certified in more than one area. These teachers are more difficult to find, especially one certified in the two particular specialties that a district might need.

Table • 2

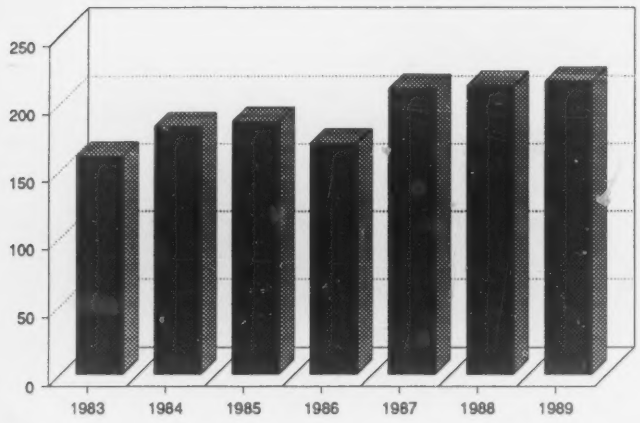
Average Teacher Salaries by State
1980-81 to 1989-90

	1980-81	1989-90	Change	1989 of U.S. Avg.
U.S.	18,409	31,304	70%	100%
Alabama	15,506	25,500	64	81
ALASKA	30,270	43,153	43	138
Arizona	17,800	29,600	66	95
Arkansas	13,670	22,009	61	70
California	20,965	38,996	86	125
Colorado	21,005	30,700	46	98
Connecticut	18,100	40,496	124	129
Delaware	18,797	33,480	78	107
District of Columbia	23,640	36,450	54	116
Florida	16,193	28,525	76	91
Georgia	16,218	27,892	72	89
Hawaii	22,070	32,047	45	102
Idaho	15,650	23,494	50	75
Illinois	20,150	33,014	64	105
Indiana	17,973	30,493	70	97
Iowa	16,610	26,747	61	85
Kansas	15,975	28,671	79	92
Kentucky	16,540	26,275	59	84
Louisiana	16,700	22,993	38	73
Maine	14,501	26,881	85	86
Maryland	19,863	36,092	82	115
Massachusetts	24,973	34,225	37	109
Michigan	21,012	36,010	71	115
Minnesota	18,585	32,190	73	103
Mississippi	13,477	24,363	81	78
Missouri	15,994	27,229	70	87
Montana	16,560	25,081	51	80
Nebraska	15,659	24,751	58	79
Nevada	21,590	30,587	42	98
New Hampshire	13,780	28,939	110	92
New Jersey	19,140	36,030	88	115
New Mexico	17,610	25,120	43	80
New York	21,550	38,800	80	124
North Carolina	16,175	27,814	72	89
North Dakota	14,356	23,016	60	74
Ohio	17,640	21,170	20	68
Oklahoma	15,662	23,070	47	74
Oregon	18,176	30,563	68	98
Pennsylvania	18,550	32,809	77	105
Rhode Island	20,302	36,057	78	115
South Carolina	15,030	27,076	80	86
South Dakota	14,410	21,300	48	68
Tennessee	15,395	27,052	76	86
Texas	16,261	27,502	69	88
Utah	17,537	23,652	35	76
Vermont	13,654	28,798	111	92
Virginia	16,209	30,926	91	99
Washington	22,277	30,475	37	97
West Virginia	15,658	22,842	46	73
Wisconsin	17,972	32,320	80	103
Wyoming	19,290	28,184	46	90

Source: National Education Association.

Figure • 3

Education Graduates from University of Alaska



Source: University of Alaska.

Most of the school districts also feel there are not enough Native teacher applicants. Only 3.2% of public school teachers are Alaska Natives while 21.8% of students are Alaska Natives. School districts would like to see a higher ratio of Native teachers to students not only to bring this ratio more in line, but also because they believe it would help them solve some of their turnover problems. There is also the more nebulous topic of quality teachers. A number of small districts felt it was difficult for them to find qualified (as opposed to simply certified) teaching staff.

Recruiting Is A Major Effort For Rural School Districts

If the amount of effort expended recruiting teachers could be quantified, rural districts would be at the very top of the scale. Nearly 47% of the rural districts felt they had a moderate to very difficult time finding replacements each year compared to 18% in urban districts and 17% in small districts.

The rural districts seldom have a large local pool of qualified teachers to choose from. Only 37% of the rural school districts indicated they had a local pool to select from versus 64% in urban districts and 100% in small districts. This means they either have to go elsewhere in the state or out-of-state to find qualified teachers. According to the survey, rural districts had to hire far more teachers outside the state than urban Alaska. All the districts surveyed had to recruit out-of-state for some of their specialized positions.

The big events of the year for teacher recruiting are the Teacher Job Fairs sponsored by the Alaska Teacher Placement (ATP) Program of the University of Alaska-Fairbanks. These fairs are a clearinghouse for the placement of teachers and other educators throughout the state, with an emphasis on rural districts. Potential education candidates from around the state and country, and most school districts in Alaska, are represented. In 1989 ATP referred 844 candidates to local school districts during their two job fairs. ATP also acts as a clearinghouse throughout the year. Repeatedly, rural districts mentioned ATP as their main vehicle in finding teachers. For the school year 1990-91, ATP placed 74% of the 500 new hires in rural districts.

Several of the rural school districts also start recruiting early in the year to be assured of a full complement of teachers for the following school year. For example, the Northwest Arctic Borough school district tried to offer contracts to prospective teachers earlier than most of the other districts this past year to improve their odds. Many of the rural districts also mentioned that when a vacancy occurred in mid-year they had a great deal of difficulty finding a replacement.

Possible Solutions to Specialty Shortages and High Turnover

Most of Alaska's school districts have no need for immediate solutions to combat teacher shortages because the problem does not exist. For reasons already described, Alaska is usually able to attract enough teachers to avert shortages.

For specialties that all the districts are having difficulty filling, higher pay or some other incentives may provide a short-term solution. Most of the specialties in this group represent areas where the demand has increased dramatically in the recent past. Therefore, it may be a function of the supply catching up with the demand, more so than a need to provide additional incentives.

Solutions to the problem of a high turnover rate in rural districts are more complex. Professor Judith Kleinfeld, a researcher with the University of Alaska, points out "the most obvious way to get teachers into rural communities who will like living there and who will get along well is to prepare as teachers people from the communities who want to teach there". Kleinfeld goes on to say "despite extensive programs and millions of dollars spent to accomplish this, the yield in numbers of Native teachers has been low". This is despite the fact that there are often few salaried jobs in these communities, and of these few jobs teaching positions are among the highest-paying. Kleinfeld believes more information is needed to assess the reasons for the lack of Native teachers.

Another point often made is that teachers without any rural Alaskan experience should be better prepared for village life and the special needs of small schools before they enter this environment.

Other possible solutions could include higher pay, merit pay and better benefits. Many rural school districts already pay higher salaries than the urban districts. (See Table 2.) These solutions would be expensive for these districts that are already dealing with a high cost delivery system. Some feel that if the certification process were liberalized there might be a larger local pool of teachers to choose from. Others feel that if teacher training could be brought closer to these communities the local supply of teachers would grow.

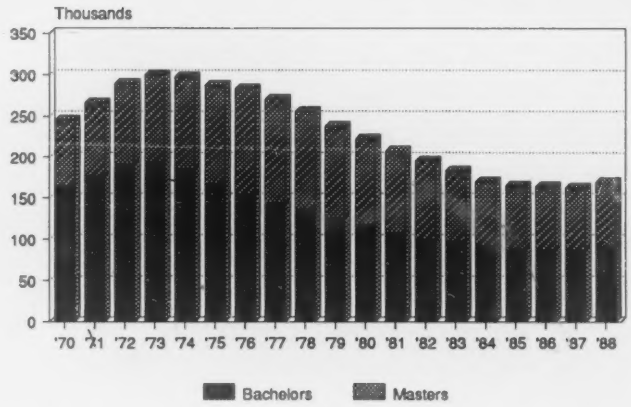
In an attempt to alleviate the problem in rural Alaska, the University of Alaska-Fairbanks began its Cross Cultural Education program in 1970. The program, known as XCED, has given rural Alaskans the opportunity to acquire an education degree without leaving their community. An overwhelming majority of XCED graduates become rural teachers, but their total number (approximately 150 since the program began) is small enough to have only made a dent in the problem.

Will Teacher Shortages Plague Alaska In The Future?

For the past decade predictions of teachers shortages were made in Alaska and nationally, but they failed to materialize. During the past three years several districts were concerned the early retirement program would cause shortages. The number of positions did climb but shortages didn't result. (See Figure 2.) Although 70% of the districts don't anticipate shortages in the future, some educators are concerned that shortages could become common.

Figure • 4

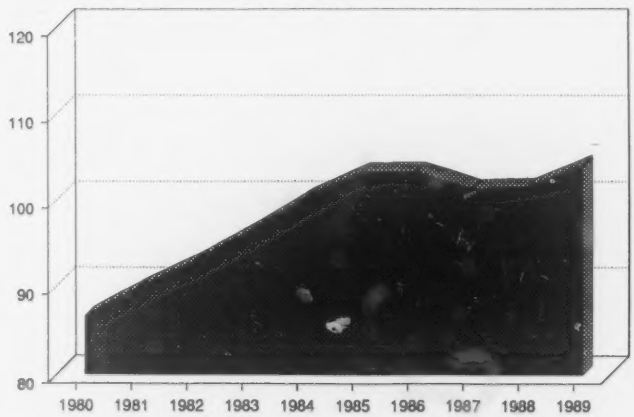
Education Degrees Awarded In United States



Source: U.S. Department of Education.

Figure • 5

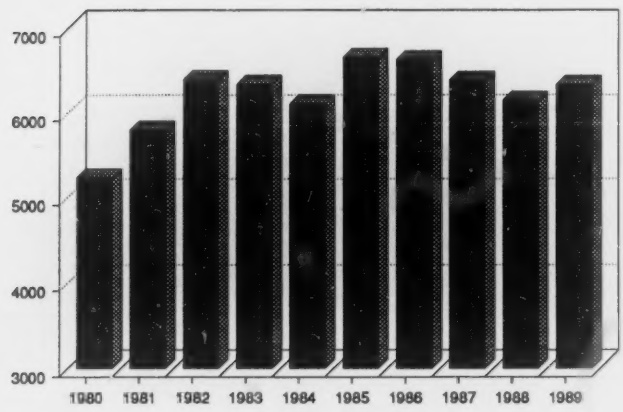
Students In Alaska's Public Schools



Source: Alaska Department of Education.

Figure • 6

Public School Teachers in Alaska



Source: U.S. Department of Education.

One reason often cited why the supply may decline is the shrinking teacher salary differential between Alaska and other states. During the past five years teacher salaries increased much more rapidly elsewhere in the country than in Alaska, causing the differential to shrink. (See Figure 1.) Tight budgets in Alaska kept teacher salaries in check, while a strong education reform movement helped boost teacher compensation elsewhere in the nation. Over the past decade Alaska's teacher salaries grew 43% versus 70% nationwide. (See Table 1.) The Alaskan teacher salary differential and benefit package remain substantially higher than the national average, but if this trend continues Alaska's competitive position will weaken.

Another concern often cited is that the pool of teachers may become smaller. Four years ago this could have been a legitimate concern but this trend has reversed itself both in Alaska and around the nation. The number of students enrolled in the University of Alaska's education department is increasing. More students are graduating with education degrees, both from the University of Alaska and nationwide. (See Figures 3 and 4.) This probably comes from an increase in salaries, the education reform movement and a growing awareness of the profession.

This does not take into account the group of former teachers out in the labor market working elsewhere or raising families. There is a large group trained to teach who never taught. According to *American Education* this number may be as high as 40%. The Alaska Department of Education maintains over 25,000 education certificates of various types are on file. Yet there were fewer than 8,000 certified staff in Alaska's public schools in 1989.

On the demand side there is the prospect of a growing school enrollment. Given the present demographics of Alaska, school enrollments should continue to climb steadily, particularly in the primary grades. This is not a certainty, however, it depends on how Alaska's economy performs. For example, Alaska's school enrollment dropped in 1987 because of the recession. (See Figure 5.) The number of teachers also fell. (See Figure 6.) This is not necessarily the case in rural Alaska though, because rural population totals are not quite as sensitive to economic conditions.

Summary: Alaska Should Have Enough Teachers, but Rural Areas Will Struggle to Find & Keep Them

Given the current supply of teachers and what appears to be the future supply prospects, Alaska should continue to be able to meet most of its teacher needs. There is reason for concern that rural districts could begin to have problems if their compensation differential continues to narrow. Rural districts will also continue to struggle with a high turnover unless solutions are found.

The supply/demand picture of any profession is affected by many factors — the job market prospects of other occupations, the health of the state or national economy, the status of the occupation, budgets, and demographics. Because these factors are always in flux, there is no sure answer to the question of whether teacher supply will meet demand in the future.

Occupational Outlook through 1994

by Brynn Keith

Alaska's economy, based on raw resource extraction but striving for

diversity, presents a challenge to today's professionals who rely on labor market information in planning for the future. Educators must plan the curricula that develop Alaska's future inventory of resident job skills. Career counselors and personnel officers must help qualified Alaskans find opportunities in an everchanging workplace that requires the latest in technological skills. Administrators and executives must examine the labor trends in the marketplace for accurate decision making.

Matching the skills of Alaska's workers with the labor needs of Alaska's business community has long been a concern to educators and policymakers. The Alaska Department of Labor (AKDOL) annually publishes a comprehensive report on the subject. The industry and occupation forecasts used in this analysis are based on 1989 data. This article highlights some of the information contained in the most recent report, *Alaska Industry/Occupation Outlook to 1994*, released in January.

Alaska Economic Overview

The demand for specific occupations and job skills depends on the health and direction of Alaska's economy. The basic health of Alaska's economy coupled with the oil spill activity created labor shortages in some occupational categories. This is a substantial change from the high unemployment rates and fast paced population exodus experienced during the last several years.

Alaska's economy was recovering before the oil spill. Overall, a 1.3% annual employment growth rate from 1989 to 1994 is anticipated. Total employment will grow by more than 15,000 workers during this five year period.

Growth will not be spread evenly across all industry sectors and all areas of the state. The fastest growing industry sectors will be mining, construction and retail trade. Southeast Alaska will have a faster annual growth rate of nearly 2%, as a result of new mining activity in that region.

General Industry Trends in Brief

Alaska's mining industry sector is still dominated by oil. Although oil related employment is expected to grow during the next five years, metal mining will exhibit the fastest growth rate of any industry sector.

Employment growth in the construction industry is expected to increase by 3% per year during the next five years.

The manufacturing industry sector is mostly comprised of seafood processing and timber related

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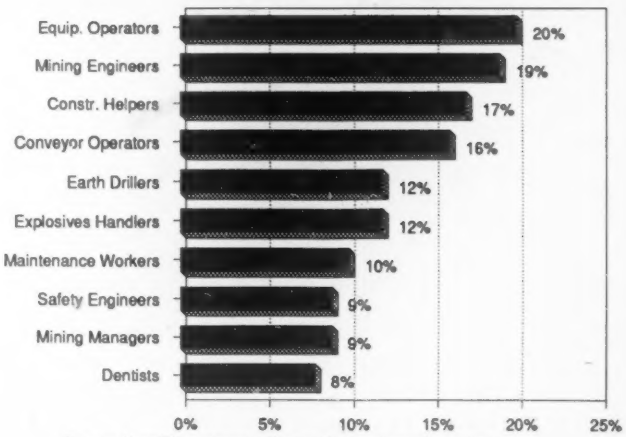
Figure • 1

Projected Percentage of Growth 1990-1994
Occupations with Highest Percentages



Source: Alaska Department of Labor, Research and Analysis Section.

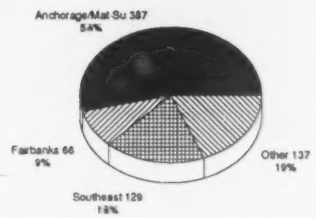
Figure • 2

Top 10 Alaska Occupations Projected Growth Per Year (1990-1994)

Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 3

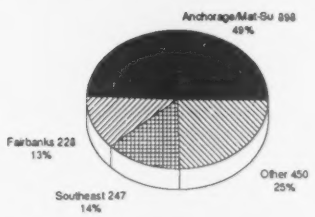
Officers and Managers Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 4

Professional and Technical Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

employment. These two sectors have grown rapidly during the last several years, but slowing growth is anticipated..

There are a number of question marks on the horizon for the timber industry in Alaska. During the five year forecast period, some declines are anticipated in the logging sector.

Transportation industry related employment is expected to grow during the five year forecast period with air transportation comprising the bulk of that growth.

Alaska's civilian government sector makes up approximately 30% of Alaska's wage and salary employment. The government sector is expected to grow at about one-fifth the rate of the total Alaska economy, dragging down the overall Alaska growth rate.

Occupational Employment and Openings to 1994

Most of the job opportunities in Alaska during the next five years are predicted to come from replacing existing workers who permanently leave the labor force, rather than from actual employment growth as a result of increased demand. Replacing workers who retire or die will account for 64% of the annual number of job openings occurring statewide and throughout all industries. Increased demand will account for the remaining 36%.

Annual job openings are estimated to number 9,289 during the five year period 1990 - 1994; 5,868 due to permanent separations and 3,341 due to actual growth or increased demand.

In keeping with the industry forecasts for mining and construction, nine of the top ten occupations with the highest percentage growth in Alaska are mining and construction related. (See Figure 1.)

In contrast, the majority of occupations with the highest projected growth per year are the large occupations that cross industry boundaries; Salespersons, Managers and Executives, Cashiers, and Secretaries, for example. (See Figure 2.)

Almost half of the job openings in Alaska will occur in the Anchorage/MatSu region, the state's largest urban area. These openings will span nearly all occupational categories, reflecting the increased breadth of Alaska's economic base.

Fairbanks is expected to maintain its role as the service center for Alaska's outlying regions due to the number of annual job openings occurring within the Service, and Craft, Operator, & Laborer occupational categories. However, the highest

number of annual job openings in the Fairbanks area will continue to go to professional and technical workers.

The occupational picture in Southeast is similar, with the largest number of annual openings occurring within the broad occupational category of Craft, Operator and Laborer. State government employment will maintain its role as a major employer in this region. Consequently, the professional and technical occupations will represent a large segment of employees.

Occupational Trends

In discussing Alaska's occupational forecast, we have broken the labor market into seven major categories, covering the nonmilitary component of the economy. These projections are based on 1989 data, and reflect the economic assumptions made at the time of this forecast.

Officers and Managers

In 1989 officers and managers represented 7.6% of total state employment. No significant changes are predicted during the next 5 years as occupational growth will closely reflect the overall growth of statewide employment.

Manager, administrator and executive occupations, both in Alaska and throughout the nation, are expected to rapidly increase in number. This occupational category in Alaska is estimated to grow by 719 jobs per year for the next 5 years. Thirty-seven percent of this total growth will be due to increased demand, and 63% will be a result of replacing employees who permanently separated from employment. (See Figure 3.)

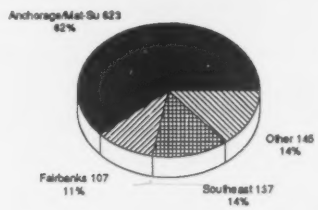
Professional and Technical

Professional and technical workers, represents 21.6% of total employment in Alaska. This occupational category is predicted to grow faster than overall employment throughout the state during the next 5 years. By 1994, professional and technical occupations will comprise 22.5% of employment statewide.

The professional and technical occupational category will increase 6% statewide during the next 5 years. An average of 1,823 job openings will occur annually during this forecast period. Actual growth will account for 33% of these openings, and 67% of the job openings will replace permanent separations. More than 52,000 people are employed in this occupations statewide. (See Figure 4.)

Figure • 5

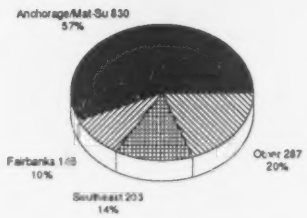
Sales
Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 6

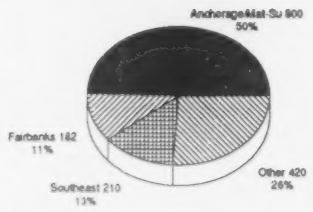
Clerical
Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 7

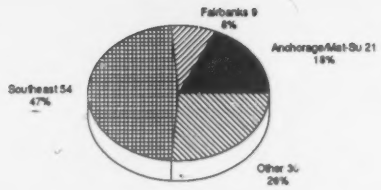
Services
Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 8

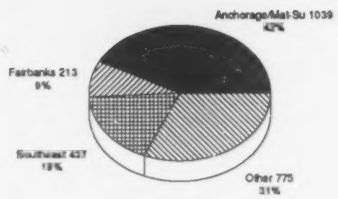
Agriculture and Forestry
Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 9

Crafts, Operators, Laborers
Average Annual Job Openings 1990-1994



Source: Alaska Department of Labor, Research and Analysis Section.

Note: This forecast was produced prior to the recent dramatic increase in oil prices. Please refer to current Alaska Department of Revenue oil price forecasts for revenue estimates. Higher oil revenues may create faster employment growth in Alaska.

Sales

Sales includes nearly 10% of the statewide labor force in 1989, and will generally remain at this level to 1994. This results from actual employment growth corresponding to the level of overall employment growth statewide.

This forecast predicts that 1,012 sales related job openings will occur annually during the next 5 years. Actual growth, or an increase in demand, will account for 42% of these positions, and the remaining 58% of job openings will be the result of replacing permanent separations. (See Figure 5.)

Clerical

The clerical occupational category comprises 18% of employment statewide. It is predicted that this category will decrease slightly its share of statewide employment during the next five years.

An average of 1,465 job openings will occur per year during this forecast, 27% will occur as a result of increased demand. The remainder of job openings or 73% are the result of replacing permanent separations. Clerical employment accounts for 44,000 jobs in Alaska. (See Figure 6.)

Service

Service occupations consist of approximately 16% of statewide employment. The five-year forecast predicts that this percentage will increase slightly.

Projected total growth in service employment will be 1,612 jobs annually. Real growth due to an increase in demand for services will produce 41% of these jobs, and replacing employees due to attrition will account for 59%. (See Figure 7.)

Agriculture and Forestry

The agriculture and forestry occupational category includes only 1.4% of the total employment in Alaska. The five-year forecast predicts that this percentage will remain constant.

It is estimated during the next five years that 114 job openings will occur annually within this occupational category. On an average, 32 of these jobs will be a result of increases in demand, and 82 will occur as a result of replacing employees permanently separating from employment. (See Figure 8.)

Crafts, Operators, Laborers

Jobs in the crafts, operators, laborers occupational category account for nearly 26% of the employment in the state. This level of employment is projected to remain nearly constant during the next five years.

The forecast indicates that 2,464 positions in various occupations within this category will be added each year during the next five years. Increased demand will account for 38% of the new positions, and 62% will account for replacing permanent separations. Nearly 63,000 people are currently employed and included in this largest occupational category in Alaska. (See Figure 9.)

For a detailed discussion of the assumptions used in this analysis, refer to *Alaska Industry/Occupation outlook to 1994*. This publication is available free through AKDOL's Research and Analysis Section.

November: Unemployment Creeps Up

by John Boucher

Alaska's statewide unemployment rate increased three-tenths of a

percentage point in November, rising to 6.7%. The 6.7% rate meant that more than 16,900 Alaskans were unemployed during November. (See Table 4.)

The November unemployment rate continued a pattern that it has followed throughout most of 1990. The statewide rate was above the year ago rate but well below historical levels for that month. Last November the statewide unemployment rate was 6.2%, but typically the rate for November has been in the 8.5-10.5% range. (See Figure 1.)

1990 Another Good Year for Job Seekers

With 1990 behind us, year-end evaluations come into vogue. If the performance of Alaska's labor market during the last year were summed up in a sentence, that sentence would be something like this: While it wasn't quite the bonanza 1989 was, in 1990 the labor market was a pretty good one for Alaskan job seekers.

Table • 1

Nonagricultural Wage and Salary Employment By Place of Work — Alaska

	p/ 11/90	r/ 10/90	11/89	Changes from: 10/90	Changes from: 11/89
Total Nonag. Wage & Salary	229,000	235,800	223,600	-6,800	5,400
Goods-producing	33,600	37,300	32,400	-3,700	1,200
Mining	11,000	11,100	10,400	-100	600
Construction	10,100	12,200	9,500	-2,100	600
Manufacturing	12,500	14,000	12,500	-1,500	0
Durable Goods	3,600	4,100	4,000	-500	-400
Lumber & Wood Products	2,700	3,200	3,200	-500	-500
Nondurable Goods	8,900	9,900	8,500	-1,000	400
Seafood Processing	5,100	6,100	4,900	-1,000	200
Pulp Mills	900	900	900	0	0
Service-producing	195,400	198,500	191,200	-3,100	4,200
Transportation	19,200	19,900	18,900	-700	300
Trucking & Warehousing	2,400	2,500	2,300	-100	100
Water Transportation	1,200	1,300	1,200	-100	0
Air Transportation	6,500	6,500	6,300	0	200
Communications	3,300	3,300	3,200	0	100
Trade	45,800	46,700	44,400	-900	1,400
Wholesale Trade	8,300	8,600	7,900	-300	400
Retail Trade	37,500	38,100	36,500	-600	1,000
Gen. Merch. & Apparel	6,200	5,800	6,100	400	100
Food Stores	6,600	6,900	6,600	-300	0
Eating & Drinking Places	12,600	13,300	12,300	-700	300
Finance-Ins. & Real Estate	10,700	10,700	10,600	0	100
Services & Misc.	48,400	49,100	46,800	-700	1,600
Hotels & Lodging Places	4,900	5,200	4,500	-300	400
Government	71,300	72,100	70,500	-800	800
Federal	18,500	18,700	18,600	-200	-100
State	21,700	21,900	21,400	-200	300
Local	31,100	31,500	30,500	-400	600

Notes: Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

Benchmark date: March 1989
p/ denotes preliminary estimates r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Table • 2

Nonagricultural Wage and Salary Employment By Place of Work

Municipality of Anchorage

	p/ 11/90	r/ 10/90	11/89	Changes from: 10/90	11/89
Total Nonag. Wage & Salary	109,800	111,900	105,900	-2,100	3,900
Goods-producing	10,700	12,200	9,800	-1,500	900
Mining	3,600	3,700	3,500	-100	100
Construction	5,000	6,300	4,400	-1,300	600
Manufacturing	2,100	2,200	1,900	-100	200
Service-producing	99,100	99,700	96,100	-600	3,000
Transportation	10,600	10,750	10,150	-150	450
Trucking & Warehousing	1,400	1,400	1,400	0	0
Water Transportation	300	300	300	0	0
Air Transportation	4,000	4,050	3,900	-50	100
Communications	1,950	1,950	1,800	0	150
Trade	26,750	27,050	25,900	-300	850
Wholesale Trade	6,250	6,350	6,000	-100	250
Retail Trade	20,500	20,700	19,900	-200	600
Gen. Merch. & Apparel	3,050	2,950	2,950	100	100
Food Stores	3,100	3,250	3,150	-150	-50
Eating & Drinking Places	7,850	8,050	7,650	-200	200
Finance-Ins. & Real Estate	6,850	6,750	6,800	100	50
Services & Misc.	27,900	27,900	26,800	0	1,100
Hotels & Lodging Places	2,600	2,450	2,350	150	250
Government	27,000	27,250	26,450	-250	550
Federal	10,350	10,200	10,200	150	150
State	8,150	8,100	7,800	50	350
Local	8,500	8,950	8,450	-450	50

Fairbanks North Star Borough

	p/ 11/90	r/ 10/90	11/89	Changes from: 10/90	11/89
Total Nonag. Wage & Salary	27,300	28,000	26,400	-700	900
Goods-producing	2,250	2,750	2,200	-500	50
Mining	150	200	150	-50	0
Construction	1,600	2,000	1,550	-400	50
Manufacturing	500	550	500	-50	0
Service-producing	25,050	25,250	24,200	-200	850
Transportation	2,000	2,100	1,750	-100	250
Trucking & Warehousing	500	500	450	0	50
Air Transportation	400	400	350	0	50
Communications	250	200	250	50	0
Trade	5,850	5,950	5,800	-100	50
Wholesale Trade	700	750	700	-50	0
Retail Trade	5,150	5,200	5,100	-50	50
Gen. Merch. & Apparel	650	600	700	50	-50
Food Stores	800	800	800	0	0
Eating & Drinking Places	1,800	1,900	1,750	-100	50
Finance-Ins. & Real Estate	900	900	850	0	50
Services & Misc.	6,100	6,150	5,850	-50	250
Government	10,200	10,150	9,950	50	250
Federal	3,000	3,000	3,050	0	-50
State	4,400	4,400	4,250	0	150
Local	2,800	2,750	2,650	50	150

Anchorage-MatSu Region

	p/ 11/90	r/ 10/90	11/89	Changes from: 10/90	11/89
Total Nonag. Wage & Salary	117,050	119,050	112,550	-2,000	4,500
Goods-producing	11,250	12,750	10,150	-1,500	1,100
Mining	3,750	3,850	3,500	-100	250
Construction	5,300	6,600	4,650	-1,300	650
Manufacturing	2,200	2,300	2,000	-100	200
Service-producing	105,800	106,300	102,400	-500	3,400
Transportation	11,300	11,500	10,800	-200	500
Trade	28,600	28,750	27,500	-150	1,100
Finance-Ins. & Real Estate	7,300	7,150	7,250	150	50
Services & Misc.	29,100	29,150	27,950	-50	1,150
Government	29,500	29,750	28,900	-250	600
Federal	10,450	10,300	10,300	150	150
State	8,850	8,850	8,600	0	250
Local	10,200	10,600	10,000	-400	200

Interior Region

	p/ 11/90	r/ 10/90	11/89	Changes from: 10/90	11/89
Total Nonag. Wage & Salary	31,200	32,050	30,250	-850	950
Goods-producing	2,550	2,900	2,450	-350	100
Mining	350	350	250	0	100
Construction	1,650	2,000	1,650	-350	0
Manufacturing	550	550	550	0	0
Service-producing	28,650	29,150	27,800	-500	850
Transportation	2,250	2,400	1,950	-150	300
Trade	6,300	6,400	6,150	-100	150
Finance-Ins. & Real Estate	950	1,000	950	-50	0
Services	6,600	6,750	6,300	-150	300
Government	12,550	12,600	12,450	-50	100
Federal	3,550	3,650	3,600	-100	-50
State	4,650	4,650	4,550	0	100
Local	4,350	4,300	4,300	50	50

Notes: Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

Benchmark date: March 1989 p/ denotes preliminary estimates r/ denotes revised estimates

(cont. on page 13)

Source: Alaska Department of Labor, Research & Analysis Section.

Nonagricultural Wage and Salary Employment By Place of Work

Southeast Region

	p/ 11/90	r/ 10/90	Changes from: 11/89	10/90	11/89
Total Nonag. Wage & Salary	31,650	33,000	31,700	-1,350	-50
Goods-producing	5,750	6,600	6,100	-850	-350
Mining	350	350	300	0	50
Construction	1,050	1,300	1,050	-250	0
Manufacturing	4,350	4,950	4,750	-600	-400
Durable Goods	2,500	2,900	2,950	-400	-450
Lumber & Wood Products	2,350	2,750	2,800	-400	-450
Nondurable Goods	1,850	2,050	1,800	-200	50
Seafood Processing	800	950	700	-150	100
Pulp Mills	850	900	900	-50	-50
Service-producing	25,900	26,400	25,600	-500	300
Transportation	2,200	2,400	2,200	-200	0
Trade	5,250	5,450	5,100	-200	150
Wholesale Trade	650	700	600	-50	50
Retail Trade	4,600	4,750	4,500	-150	100
Finance-Ins. & Real Estate	1,100	1,100	1,100	0	0
Services & Misc.	4,900	5,050	5,100	-150	-200
Government	12,450	12,400	12,100	50	350
Federal	2,150	2,250	2,050	-100	100
State	5,450	5,400	5,450	50	0
Local	4,850	4,750	4,600	100	250

Gulf Coast Region

	p/ 11/90	r/ 10/90	Changes from: 11/89	10/90	11/89
Total Nonag. Wage & Salary	21,000	22,250	20,800	-1,250	200
Goods-producing	4,650	5,300	4,600	-650	50
Mining	950	950	900	0	50
Construction	950	1,100	1,050	-150	-100
Manufacturing	2,750	3,250	2,650	-500	100
Seafood Processing	1,700	2,200	1,650	-500	50
Service-producing	16,350	16,950	16,200	-600	150
Transportation	1,650	1,750	1,700	-100	-50
Trade	3,650	3,850	3,450	-200	200
Wholesale Trade	450	500	400	-50	50
Retail Trade	3,200	3,350	3,050	-150	150
Finance-Ins. & Real Estate	550	550	550	0	0
Services & Misc.	4,350	4,400	4,150	-50	200
Government	6,150	6,400	6,350	-250	-200
Federal	600	650	550	50	50
State	1,800	1,900	2,000	-100	-200
Local	3,750	3,850	3,800	-100	-50

Northern Region

	p/ 11/90	r/ 10/90	Changes from: 11/89	10/90	11/89
Total Nonag. Wage & Salary	14,750	15,050	14,300	-300	450
Goods-producing	6,250	6,450	5,900	-200	350
Mining	5,700	5,700	5,400	0	300
Service-producing	8,500	8,600	8,400	-100	100
Government	4,500	4,500	4,500	0	0
Federal	250	250	250	0	0
State	350	350	350	0	0
Local	3,900	3,900	3,900	0	0

Southwest Region

	p/ 11/90	r/ 10/90	Changes from: 11/89	10/90	11/89
Total Nonag. Wage & Salary	13,750	14,400	13,650	-650	100
Goods-producing	3,050	3,350	3,050	-300	0
Seafood Processing	2,500	2,750	2,550	-250	-50
Service-producing	10,700	11,050	10,600	-350	100
Government	6,350	6,500	6,350	-150	0
Federal	1,400	1,400	1,400	0	0
State	550	550	550	0	0
Local	4,400	4,550	4,400	-150	0

Notes: Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

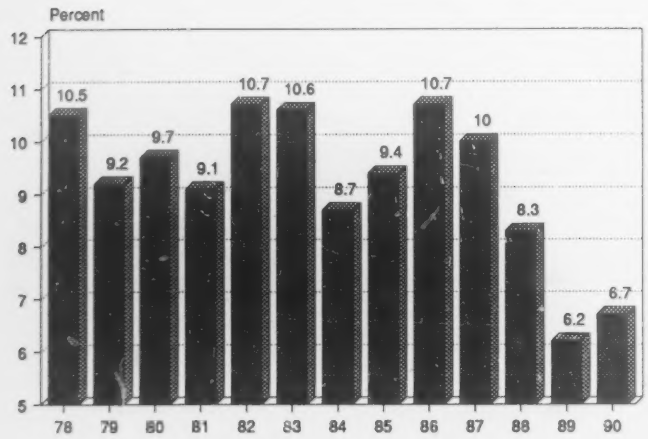
The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

Benchmark date: March 1989 p/ denotes preliminary estimates r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Figure • 1

November Statewide Unemployment Rate 1978-1990



Source: Alaska Department of Labor, Research and Analysis Section.

There are several labor market indicators which lead one to that conclusion. First is Alaska's annual average unemployment rate during 1990. Barring some unexpected dramatic movement in the statewide rate in December, the annual average unemployment rate for 1990 will be about 7.0%. That would be the second-lowest annual rate recorded for Alaska since 1978. The lowest annual rate occurred last year when 6.7% of Alaska's labor force was jobless. (Comparable unemployment rates for years prior to 1978 are not available because the method by which the statewide rate was calculated is not the same.)

Another piece of evidence which points to a good year is the rate at which nonagricultural wage and salary employment is growing. In 1989, wage and salary employment grew at a rate faster than 6.0% annually. While the final estimates for 1990 won't be available until early February, the statewide employment growth rate for 1990 will be at least 3.0% on an annual basis.

Mining, Construction Continue to Lead the Way

Two of Alaska's goods producing industries, mining and construction, are leading the way in creating new jobs for Alaskans. Through the first eleven months of the year both of these industries are about 7.0% ahead of the pace they set in 1989. Since about 90% of wage and salary employment in Alaska's mining industry is in the oil and gas sector, growth in mining industry employment is almost synonymous with additional jobs in the oil and gas industry. One might wonder if the increase in oil prices following the invasion of Kuwait has been a factor in the creation of new jobs in the oil and gas industry in Alaska. The fact is though that the trend toward employment growth in this industry was well established prior to August.

Alaska's oil and gas industry is not the only sector of the mining industry posting healthy employment growth. Wage and salary employment activity throughout the state in Alaska's other mining sectors has grown at an almost astounding pace. The most recent major employment addition was the reopening of the Valdez Creek Mine in the MatSu Borough. That brings the number of large year-round mining operations in Alaska to four- in addition to Valdez Creek there is the Red Dog mine in the Northwest Arctic Borough, Green's Creek just outside of Juneau, the Usibelli Coal mine in Healy and Valdez Creek near Cantwell. Four doesn't sound like a whole lot of big year-round mines, but one doesn't have to look back but a few years to a time when Usibelli was the only big year-round operation.

Alaska's construction industry has been a primary benefactor of the growth in Alaska's mining employment. Construction at mining sites and construction related to the oil and gas industry have been two of the major contributors to new construction industry employment during the past year.

November Retail Numbers Have A Hint of Christmas Cheer

While the mining and construction industries are enjoying another banner year in 1990, November's employment counts showed that the retail trade sector is also doing quite well. (See Table 2.) While November is a little early to gear up for Christmas in most parts of the country, the issuing of permanent fund dividend checks and the beginning of the Christmas shopping season

Table • 3

Alaska Hours and Earnings for Selected Industries [1/2]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/ 11/90	r/ 10/90	11/89	p/ 11/90	r/ 10/90	11/89	p/ 11/90	r/ 10/90	11/89
Mining	$1,164.61	$1,075.69	$1,054.02	49.6	47.2	46.7	$23.48	$22.79	$22.57
Construction	1,033.34	1,144.62	1,062.66	42.7	46.7	44.8	24.20	24.51	23.72
Manufacturing	507.82	565.26	556.40	37.7	41.2	40.0	13.47	13.72	13.91
Seafood Processing	380.59	386.78	374.01	41.1	40.8	41.1	9.26	9.48	9.10
Trans., Comm. & Utilities	575.95	558.44	598.18	34.1	33.3	36.1	16.89	16.77	16.57
Trade	407.10	414.26	381.38	34.5	34.9	33.9	11.80	11.87	11.25
Wholesale	569.20	567.36	535.43	40.0	39.4	38.3	14.23	14.40	13.98
Retail	353.81	360.97	332.47	32.7	33.3	32.5	10.82	10.84	10.23
Finance-Ins. & R.E	393.08	387.72	401.35	34.3	34.1	34.9	11.46	11.37	11.50

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: March 1989

1/ Prepared in cooperation with the Bureau of Labor Statistics, U.S. Department of Labor.

2/ Retail Trade excludes eating and drinking establishments.

Averages are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Source: Alaska Department of Labor, Research & Analysis Section.

are a powerful combination in Alaska. Overall the retail sector had less employment in November than October, but some sectors, especially general merchandise and apparel stores saw a significant employment increase. These stores will most likely have another increase in December when the final buying frenzy started in earnest.

Southeast Logging Down 20% from November 1989

While the majority of the news about Alaska's economy during 1990 has been good, one rough spot has been the wood products industry in Southeast Alaska. (See Table 3.) This November there were 500 less jobs in the Southeast logging industry than there were in November of last year, meaning that one in every five jobs in that industry has vanished. The main reasons for the industries woes are that the world market for wood products has softened significantly and that private timber harvesting, particularly on lands owned by Alaskan Native Corporations, has slowed down dramatically. The adverse effect these developments are having on Southeast Alaskan communities is particularly evident when looking at local area unemployment rates. Most of the Southeast Alaskan communities that have a significant tie to the logging industry have a significantly higher unemployment rate this November than they did at this time last year.

Summary: November Continues Recent Employment Trends

November employment and unemployment statistics for Alaska pointed to a continuation of a pattern that has been followed throughout most of 1990. The unemployment rate was slightly above last year's rate but well below historical levels for this time of the year. Nonagricultural wage and salary employment data continued to post healthy growth across all industries, one notable exception to that being the wood products industry. As 1990 draws to a close, Alaska will post its third straight year of employment growth, and the state is poised to continue that growth into 1991.

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Table • 4

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	p/ 11/90	r/ 10/90	11/89	p/ 11/90	r/ 10/90	11/89	p/ 11/90	r/ 10/90	11/89	p/ 11/90	r/ 10/90	11/89
Alaska Statewide	254,038	257,835	251,014	16,938	16,569	15,612	6.7%	6.4%	6.2%	237,100	241,266	235,402
Anch.-MatSu Region	133,879	134,759	130,929	7,442	7,524	6,999	5.6	5.6	5.3	126,437	127,235	123,930
Municipality of Anchorage	118,433	119,547	116,309	5,745	5,861	5,232	4.9	4.9	4.5	112,688	113,686	111,077
MatSu Borough	15,446	15,212	14,620	1,697	1,663	1,767	11.0	10.9	12.1	13,749	13,549	12,853
Gulf Coast Region	27,598	28,646	27,771	2,737	2,560	2,636	9.9	8.9	9.5	24,861	26,086	25,135
Kenai Peninsula Borough	17,190	17,984	17,150	1,957	2,001	1,749	11.4	11.1	10.2	15,233	15,983	15,401
Kodiak Island Borough	6,158	6,293	6,438	354	203	570	5.7	3.2	8.9	5,804	6,090	5,868
Valdez-Cordova	4,250	4,369	4,183	426	356	317	10.0	8.1	7.6	3,824	4,013	3,866
Interior Region	36,301	36,960	35,766	3,081	3,102	2,789	8.5	8.4	7.8	33,220	33,858	32,977
Fairbanks North Star Bor.	31,319	31,892	30,829	2,515	2,534	2,235	8.0	7.9	7.2	28,804	29,358	28,594
Southeast Fairbanks	2,078	2,120	2,025	237	244	198	11.4	11.5	9.8	1,841	1,876	1,827
Yukon-Koyukuk	2,904	2,948	2,912	329	324	356	11.3	11.0	12.2	2,575	2,624	2,556
Northern Region	8,438	8,484	8,481	474	488	522	5.6	5.8	6.2	7,964	7,996	7,959
Nome	3,118	3,105	3,128	205	180	216	6.6	5.8	6.9	2,913	2,925	2,912
North Slope Borough	3,101	3,118	3,123	89	94	113	2.9	3.0	3.6	3,012	3,024	3,010
Northwest Arctic Borough	2,219	2,261	2,230	180	214	193	8.1	9.5	8.7	2,039	2,047	2,037
Southeast Region	35,475	36,187	35,603	2,639	2,272	2,166	7.4	6.3	6.1	32,836	33,915	33,437
Haines Borough	859	883	855	78	77	60	9.1	8.7	7.0	781	806	795
Juneau Borough	15,621	16,141	15,819	772	804	698	4.9	5.0	4.4	14,849	15,337	15,121
Ketchikan Gateway Bor.	6,632	6,773	6,591	547	488	395	8.2	7.2	6.0	6,085	6,285	6,196
Pr. of Wales-Outer Ketch.	2,712	2,750	2,700	290	249	234	10.7	9.1	8.7	2,422	2,501	2,466
Sitka Borough	4,214	4,217	4,224	346	222	285	8.2	5.3	6.7	3,868	3,995	3,939
Skagway-Yakutat-Angoon	1,772	1,741	1,730	260	179	190	14.7	10.3	11.0	1,512	1,562	1,540
Wrangell-Petersburg	3,665	3,682	3,684	346	253	304	9.4	6.9	8.3	3,319	3,429	3,380
Southwest Region	12,347	12,799	12,464	565	623	500	4.6	4.9	4.0	11,782	12,176	11,964
Aleutians East Borough	867	899	896	5	8	20	0.6	0.9	2.2	862	891	876
Aleutians West	2,440	2,523	2,495	24	26	41	1.0	1.0	1.6	[illegible]	2,497	2,454
Bethel	4,734	4,929	4,732	268	314	197	5.7	6.4	4.2	4,466	4,615	4,535
Bristol Bay Borough	475	495	480	19	24	17	4.0	4.8	3.5	456	471	463
Dillingham	2,233	2,295	2,283	99	90	117	4.4	3.9	5.1	2,134	2,205	2,166
Wade Hampton	1,598	1,658	1,578	150	161	108	9.4	9.7	6.8	1,448	1,497	1,470

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: 1989

- Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey in formulas used to allocate federal funds.
- Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.
- The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.
- The employment numbers that appear above are definitionally different from those that appear in the Nonagricultural Wage & Salary Employment tables.

Source: Alaska Department of Labor, Research & Analysis Section.

Alaska Economic Regions